




Technische Universität Wien
Department für Raumplanung
Finanzwissenschaft und Infrastrukturpolitik






DIE GEMEINNÜTZIGEN

Social housing policies: A Res Publica?

Gerlinde Gutheil-Knopp-Kirchwald (presenting author),
Justin Kadi
TU Wien, Ifip, 2017-06-09

The presentation is based on the paper:
Gutheil-Knopp-Kirchwald, G., Kadi, J. (2017): Housing Policy and spatial inequality: recent insights from Vienna and Amsterdam.
In: Unger, B., van der Linde, D., Getzner, M. (2017): Public or Private Goods? Redefining the Res Publica. Edward Elgar Publishing Cheltenham Northampton.

DIE GEMEINNÜTZIGEN

Social housing and the welfare state

1. Housing policy and the welfare state
2. Social housing and spatial inequality
3. The cases of Vienna and Amsterdam: „Role models“ under pressure
4. Conclusions: Justification for public interventions in the housing markets

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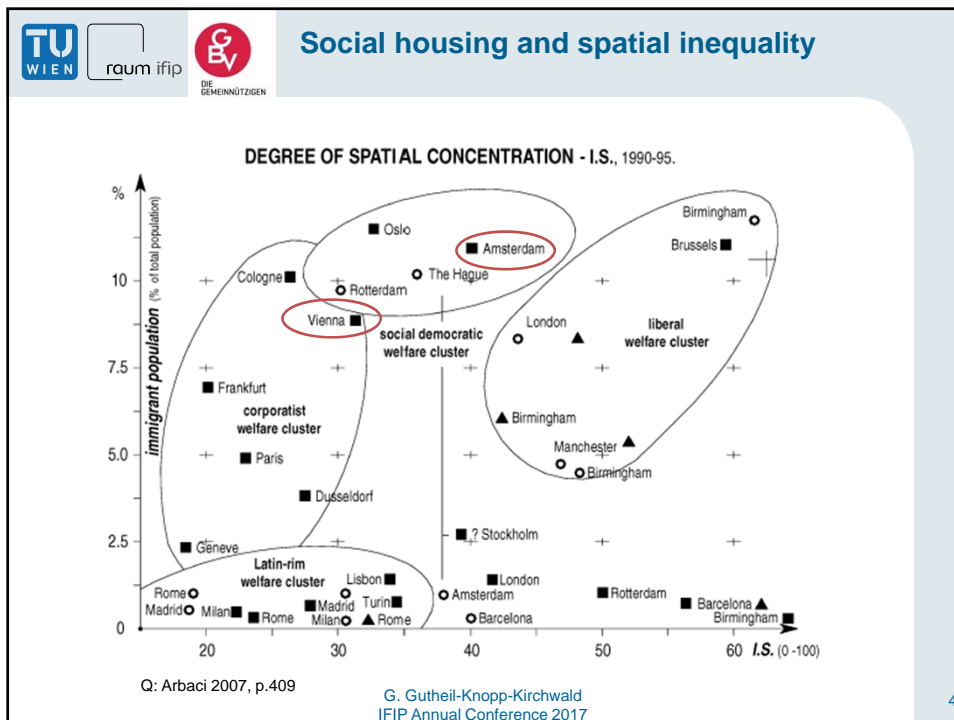
Housing policy in the welfare state literature

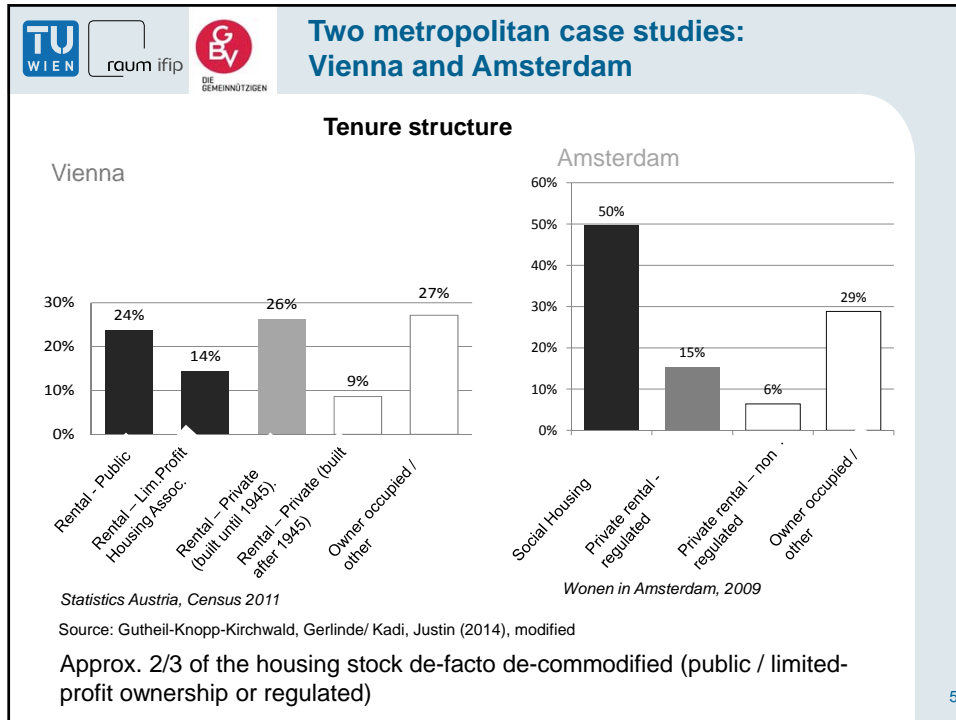
- Social housing policies are missing in most classical studies on the welfare state
 - Housing policy as “wobbly pillar” of the welfare state (Torgersen 1987)
- Differentiation in integrated versus dual systems (Kemeny 1995)
 - Integrated systems are characterised by a large (social) rental sector with price-dampening effects on the private sector
- Relationship between housing systems and segregation patterns frequently studied in urban studies literature (e.g. Arbaci 2007, Giffinger 1998, Musterd and Ostendorf 1998, Fainstein 2010)

„Post-war housing policy was to encourage social mix. (...) the expectation was that class differences would vanish because of spatial proximity“ (Levy-Vroelant/Reinprecht, 2008, 214)

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Two metropolitan case studies: Vienna and Amsterdam

Vienna

- Supply-side changes
 - Interruption of the council Housing programme
 - Partial liberalization of the regulated private rental stock
 - Real estate attractive as investment
- Demand-side changes
 - Strong population growth (Immigration and natural)
 - Income polarisation

Amsterdam

- Supply-side changes
 - Shift towards owner-occupancy: Tax deduction, right-to-buy – programmes
 - Semi-liberalization of the regulated rental market
 - Reduction of supply-side subsidies on rental sector
- Demand-side changes
 - Immigration of low-skilled households
 - Income polarisation

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Two metropolitan case studies: Vienna and Amsterdam

Supply-side changes:
Reduced supply in the cheapest sector

Demand-side changes:
Growing demand for inexpensive rental units

Consequences / risks

1. Very dynamic price increases
2. Trend towards residualisation of the social housing sector (Concentration of low-income households)
3. Long waiting lists and low accessibility of the affordable sector
4. Reduced housing affordability for low-income households
5. **Increase of socio-economic segregation and spatial inequality**

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Two metropolitan case studies: Vienna and Amsterdam

Share of social rental housing, income level and income inequality in the city districts of Vienna

Vienna

Median annual income per city district, 2010

- 17,001 - 19,000 €
- 19,001 - 20,000 €
- 20,001 - 22,000 €
- 22,001 - 23,000 €
- 23,001 - 26,000 €

Share of social rental housing in district

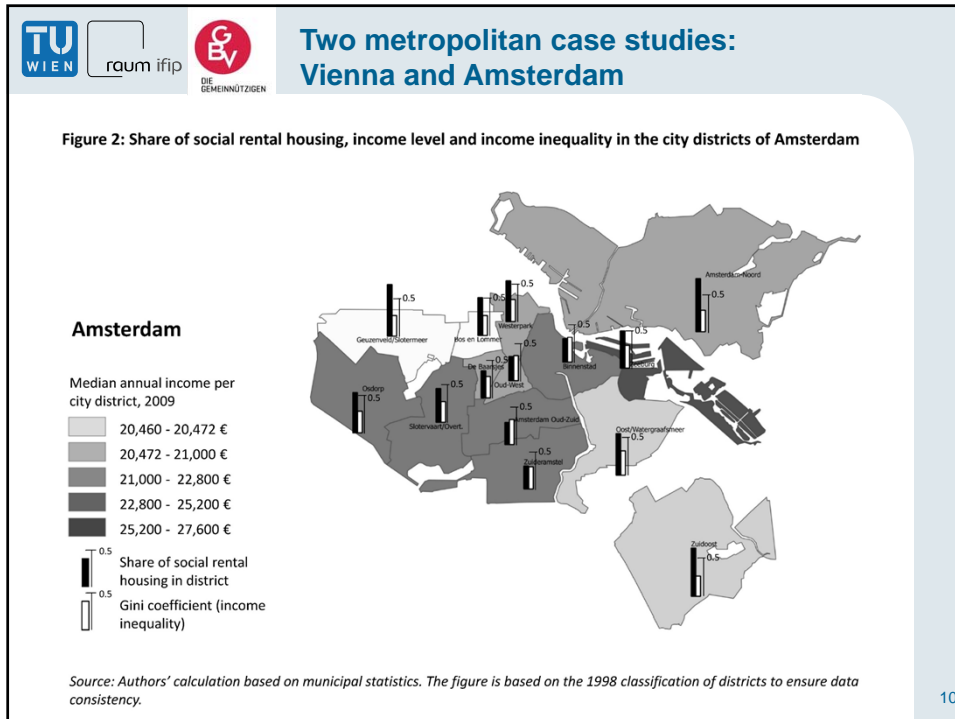
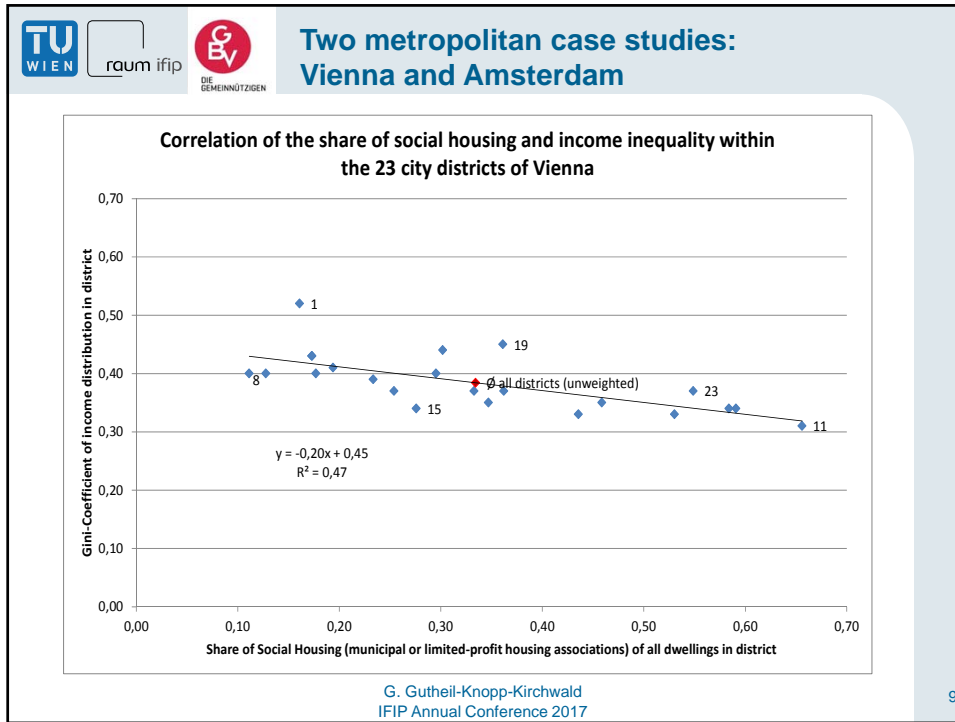
Gini coefficient (income inequality)




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Two metropolitan case studies: Vienna and Amsterdam

Lessons learned

- In both cities social housing is represented in all districts and addressing large parts of the society.
- In Vienna, social housing correlates with a locally balanced income structure (low social mix)
- In districts of predominant private ownership, the social structure tends to be more mixed: High income and low income households live nearby (*Gründerzeit* districts).
- In both cities low-income households and migrants are increasingly concentrated in the social sector, but at the same time it becomes less accessible for new entrants
- A pan-european study (Tamaru, 2015) showed an unexpectedly high (and for Vienna even growing) degree of socio-economic segregation

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Conclusions: Justification of state intervention in the housing market?

Efficiency	Community/Morality	Equality
<i>Allocative housing policies justified by market failures</i>	<i>„Housing as a social right“; „Right to the city“</i>	<i>(Re)Distributive housing policies</i>
Imperfect and asymmetric information	„Immoralities“ of the housing market	Exclusion or market barriers for/of certain groups (financial / formal / informal) ⇒ Ensuring housing provision for low-income and vulnerable households
Externalities	Merit goods	Spatial distribution: Preventing cumulative discrimination of residents of deprived areas
Slow market reaction to changing demand		

Authors' draft, based on the welfare state systematics of Heath, 2011

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- **Trade-off** between socially targeted housing policies and housing policies that encourage socio-spatial mix
- Vienna's and Amsterdam's integrated „social mix“ - strategy challenged by policy changes and a growing demand on the lowest price segment
 - ⇒ Still rather integrated markets, but trend toward residualisation
 - ⇒ **Insider-outsider-dilemma:** Risk of losing „social mix“ without improving social effectiveness

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Combination of different policy instruments focussing on the enlargement of the affordable housing segment

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TU WIEN **raum ifip** **GV DIE GEMEINNÜTZIGEN** **Conclusions: What to do now?**

„De-commodified housing stock“ not to become a market asset (even after sale)

Land policy (planning obligations, quotas for social housing,...)

Incentives to mobilize underused or empty dwellings

Mixed-use developments including different sectors of housing market

Municipal land trusts / municipal housing

Differentiation of quality standards in the new construction

Rental regulation that encourages investments but discourages speculation

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